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**NINETEENTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD**

GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-11-04

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2003
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2003
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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GENERAL-PURPOSE FINANCIAL STATEMENTS

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
BAKER, LOUISIANA 70704-0030

(225) 775-4982

INDEPENDENT AUDITORS' REPORT

April 6, 2004

To The Board of Directors
Nineteenth Judicial District
Indigent Defender Board
P. O. Box 3356
Baton Rouge, Louisiana 70821

We have audited the accompanying general-purpose financial statements of the Nineteenth Judicial District Indigent Defender Board, component unit of the City of Baton Rouge and Parish of East Baton Rouge, Louisiana, as of December 31, 2003, and for the year then ended. These general-purpose financial statements are the responsibility of the Nineteenth Judicial District Indigent Defender Board's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Nineteenth Judicial District Indigent Defender Board, as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Directors
Nineteenth Judicial District
Indigent Defender Board
April 6, 2004
Page Two

The required supplemental information, as listed in the table of contents, is not a required part of the general-purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This required supplemental information is the responsibility of the Nineteenth Judicial District Indigent Defender Board's management. It has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the general-purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2004, on our consideration of the Nineteenth Judicial District Indigent Defender Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying supplemental information listed in the table of contents under Supplemental Information is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

Sincerely,



John D. Butler & Company
A Professional Accounting Corporation

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)



**THE OFFICE OF
PUBLIC DEFENDER**

Michael A. Mitchell, Director

Baton Rouge, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

300 Louisiana Ave
70802
(225) 389-3150

MAILING ADDRESS:
P.O. Box 3356
Baton Rouge, LA 70821

The purpose of this section is to offer management's discussion and analysis of the Nineteenth Judicial District Indigent Defender Board's (hereafter referred to as the Board) financial performance during the year ended December 31, 2003. It should be read in conjunction with the financial report taken as a whole.

Overview of the Financial Statement Presentation

These financial statements are comprised of three components – (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. There is also other supplementary information contained in this report.

Government-wide Financial Statements. The government-wide financial statements, beginning on page 8, present financial information for all activities of the Board from an economic resources measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the Board's overall financial status. They include a statement of net assets and statement of activities.

Statement of Net Assets. This statement presents information on all of the Board's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or not.

Statement of Activities. This statement presents information showing how the Board's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Board's financial reliance on general revenues.

Both government-wide financial statements distinguish functions of the Board that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Board include activities related to indigent defense.

The government-wide financial statements can be found on pages 9-10 of this report.

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
DECEMBER 31, 2003**

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Board has only one category of funds: governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the Board's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

The fund financial statements can be found on pages 12-15 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The index of the notes is found on page 17 with the actual notes beginning immediately afterwards.

Other information. In addition to the general-purpose financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Board's budgetary comparisons on page 30. Additional details about certain financial statement items can also be found in the supplemental information at the back of this report.

Financial Analysis of the Board

Net assets is an indicator of the Board's financial position from year to year. The following is a summary of net assets as of December 31, 2003:

**SUMMARY OF NET ASSETS
Governmental Activities**

Assets	
Current and other assets	\$ 366,916.42
Restricted assets	175,713.86
Capital assets, net	<u>47,119.31</u>
Total Assets	589,749.59

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
DECEMBER 31, 2003**

Liabilities	
Current liabilities	\$ 619,936.02
Net Assets	
Invested in capital assets, net of related debt	47,119.31
Restricted	184,780.34
Unrestricted	<u>(262,086.08)</u>
Total Net Assets	<u>(30,186.43)</u>

The most significant portion of the Board's net assets is restricted primarily for expenditures related to the defense of capital cases. Net assets decreased by \$286,110.29 during 2003; however, this includes \$10,485.79 in depreciation and \$156,904.52 in bad debts, both of which are non-cash items. A summary of these changes is as follows:

**SUMMARY OF CHANGES IN NET ASSETS
Governmental Activities**

Revenues	
Operating grants and contributions	\$ 552,783.48
General revenues:	
Fines and forfeitures	1,946,117.94
Miscellaneous revenues	944.45
Interest earned	<u>6,217.61</u>
Total Revenues	2,506,063.48
Expenses	
General government	398,494.32
Public defense	<u>2,393,679.45</u>
Total Expenses	<u>2,792,173.77</u>
Change in Net Assets	<u>(286,110.29)</u>

Budgetary Highlights

The Board received \$72,105 in revenues above what was anticipated. Expenditures, on the other hand, were \$367,326 over the budgeted amount. Of this amount, \$156,904 is attributed to bad debt expense, a non-cash item. Another factor is excess expenditures is annual rent accrued in the amount of \$133,791 that was not budgeted.

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
DECEMBER 31, 2003**

Capital Asset and Debt Administration

Capital Assets: The Board's investment in capital assets, net of accumulated depreciation, at December 31, 2003, was \$47,119.31 in equipment and office furniture. Additions to equipment during the year included computers, printer, power vault and software licenses. All assets were properly tagged and a detailed list is maintained.

Capital assets at year end are summarized as follows:

**CAPITAL ASSETS
Net of Accumulated Depreciation**

Equipment	\$ 19,660.19
Office furniture	<u>27,459.12</u>
Net	<u>47,119.31</u>

Long-Term Debt: The Board currently has no long-term debt.

Past Accomplishments and Future Plans

The Board contracted with an additional attorney for the Felony Conflict Panel in 2003, bringing the number of attorneys to four in District Court. They are responsible for the coverage of eight courts.

The Board renewed its annual contract with the Louisiana Appellate Project that handles non-capital case appeals for this and other indigent defender offices throughout the State. There continues to be no direct cost to the Board associated with this contract.

We have continued with an in-house training program. The presenters are seasoned attorneys and professionals from our community, presenting on various topics and situations encountered by our attorneys on a daily basis.

The Board has a plan in place to increase collections of the new \$40 application fee for the users (defendants) of the system. The action will begin in 2004 and will be closely monitored for its effectiveness.

Request for Information

A copy of this report or additional information can be obtained by writing or contacting Beverly Rice at the Office of the Public Defender, P. O. Box 3356, Baton Rouge, Louisiana 70821, (225) 389-3150.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
STATEMENT OF NET ASSETS
DECEMBER 31, 2003

<u>ASSETS</u>	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 137,085.56
Prepaid expenses	9,066.48
Receivables, net	220,764.38
Restricted Assets:	
Cash and cash equivalents	175,713.86
Capital assets, net	<u>47,119.31</u>
Total Assets	589,749.59
<u>LIABILITIES</u>	
Accounts payable	619,936.02
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	47,119.31
Restricted for:	
Prepaid expenses	9,066.48
Capital defense	175,713.86
Unrestricted	<u>(262,086.08)</u>
Total Net Assets	<u><u>(30,186.43)</u></u>

The accompanying notes are an integral part of this statement.

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2003**

Functions/Programs	Program Revenues			Net Revenues (Expenses)
	Expenses	Charges for Services	Operating Grants & Contributions	
Governmental Activities				
General government	\$ 398,494.32	\$ -	-	\$ (398,494.32)
Public defense	2,442,324.45	-	552,783.48	(1,889,540.97)
Total Governmental Activities	2,840,818.77	-	552,783.48	(2,288,035.29)

General Revenues	
Fines and forfeitures	1,994,762.94
Miscellaneous revenues	944.45
Interest earned	6,217.61
Total General Revenues	2,001,925.00
Change in Net Assets	(286,110.29)
Net Assets, beginning	255,923.86
Net Assets, ending	(30,186.43)

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2003**

<u>ASSETS</u>	<u>General Fund</u>
Cash and cash equivalents	\$ 137,085.56
Prepaid expenses	9,066.48
Receivables, net:	
Court	75,013.88
Sheriff	59,705.66
Defendant court-ordered	86,044.84
Restricted Assets:	
Cash and cash equivalents	<u>175,713.86</u>
TOTAL ASSETS	<u><u>542,630.28</u></u>
 <u>LIABILITIES AND FUND BALANCES</u>	
Liabilities:	
Accounts payable	619,936.02
Fund Balances:	
Reserved for prepaid expenses	9,066.48
Reserved for capital defense	175,713.86
Unreserved	<u>(262,086.08)</u>
Total Fund Balances	<u>(77,305.74)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>542,630.28</u></u>

The accompanying notes are an integral part of this statement.

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2003**

Total Fund Balances - Governmental Funds \$ (77,305.74)

Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities are not
current financial resources and, therefore, are not
reported in the Governmental Funds Balance Sheet

47,119.31

Total Net Assets of Governmental Activities

(30,186.43)

The accompanying notes are an integral part of this statement.

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2003**

<u>REVENUES</u>	<u>General Fund</u>
Fines and forfeitures	\$ 1,994,762.94
Grant proceeds	336,319.00
Donated goods and services	148,200.55
Contributed services	68,263.93
Miscellaneous revenues	944.45
Interest earned	6,217.61
	2,554,708.48
Total Revenues	2,554,708.48
<u>EXPENDITURES</u>	
Salaries and related benefits	1,883,734.31
Insurance	32,326.65
Travel	59,589.32
Office supplies and expenses	307,435.03
Occupancy	155,538.23
Defense/expert witnesses	391,709.44
Capital outlay	19,596.42
	2,849,929.40
Total Expenditures	2,849,929.40
Net Change in Fund Balances	(295,220.92)
Fund Balances, beginning	217,915.18
	217,915.18
Fund Balances, ending	(77,305.74)
	(77,305.74)

The accompanying notes are an integral part of this statement.

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2003**

Net Change in Fund Balances - Governmental Funds \$ (295,220.92)

Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the amount by which
capital outlay exceeded depreciation charged in the
current period.

9,110.63

Change in Net Assets of Governmental Activities

(286,110.29)

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
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DECEMBER 31, 2003**

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**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

INTRODUCTION

The Nineteenth Judicial District Indigent Defender Board (hereafter referred to as the Board) was established for the Nineteenth Judicial District by Louisiana Revised Statutes §15:144 – §15:148. The Board is composed of seven members that are selected by the district court judges from nominees provided by the Bar Association within the judicial district.

The main purpose of the Board is to provide legal counsel for indigent defendants. The appointments usually exceed 5,000 per year of the district's population of approximately 500,000.

The Board meets monthly to discuss operations, budgets, problems, etc., and its members are not compensated. Additional meetings are held as needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting and reporting practice of the Board conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the Governmental Accounting Standards Board (GASB) which is the standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Board includes all funds which are controlled by or dependent on the Board which was determined on the basis of oversight responsibility, including accountability for fiscal and budget matters, designation of management or governing authority and authority to issue debt. While the Board is a part of the district court system, state statute gives each district board control over its operations. It operates autonomously from the State of Louisiana and independently from the district court system and, therefore, issues its own financial statements. Considered a component unit of the City of Baton Rouge and Parish of East Baton Rouge, these financial statements are included in that entity's financial statements.

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

Government-Wide Accounting: In accordance with Government Accounting Standards Boards Statement No. 34, the Board has presented a statement of net assets and statement of activities for the Board as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Interfund receivables and payables are eliminated in the statement of net assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function are eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Application of FASB Statements and Interpretations

Reporting on governmental-type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net assets. Depreciation of contributed assets of proprietary funds is charged against contributed capital as opposed to unrestricted net assets.

Program Revenues

The statement of activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. The Board did not receive any capital grants/contributions and, therefore, this column is eliminated. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Board. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for a specific use.

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

Direct/Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Board has chosen not to do so.

Operating Revenues

Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of an entity's main operation are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Restricted Net Assets

Restricted net assets are those for which a constraint has been imposed either externally or by law. The Board recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net assets are used.

Fund Accounting: The Board uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. The Board has only one category: governmental. Each category, in turn, is divided into separate fund types. The fund classification and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all of the Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term obligations. Governmental funds include:

1. General Fund – is the general operating fund of the Board and accounts for all financial resources, except those required to be accounted for in other funds.

Basis of Accounting/Measurement Focus: The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the statement of net assets. Revenues are recognized when earned, and

NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund.

Governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Revenues are recognized when measurable and available, and expenditures are recorded when the related fund liability is incurred. An exception is unmatured principal and interest on general long-term debt which is recognized when due. The Board considers all revenues available if they are collected within sixty days after year-end. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

Budgets and Budgetary Accounting: The Board is not required under Louisiana Revised Statutes to have public meetings on the adoption of its budget. The Executive Director prepares an annual budget for review and adoption by the Board in December of each year for the subsequent year. It is reviewed periodically during the year.

Cash and Cash Equivalents: Cash includes amounts in demand deposits, interest bearing demand deposits and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of ninety (90) days or less. Under state law, the Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Investments: Investments are limited by Louisiana Revised Statute §33:2955. If the original maturities of investments exceed ninety days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. The Board did not have any certificates of deposit or other investments with maturities extending beyond ninety days.

Prepaid Expenses: Prepaid expenses are composed of \$8,815.48 in prepaid insurance and \$251 in prepaid maintenance agreements at December 31, 2003. Insurance policies and maintenance agreements are pro-rated for the term of the various policies/agreements using the allocation method.

Restricted Assets: Proceeds from the Louisiana Indigent Defender Board are classified as restricted assets on the balance sheet because their use is limited to capital defense and expert

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2003**

witnesses. Components of these are as follows:

	<u>Capital Defense/ Expert Witnesses</u>
Demand deposits	\$ 695.31
Interest-bearing demand deposits	50,000.00
Money market savings	<u>125,018.55</u>
Total	<u>175,713.86</u>

Capital Assets: The Board's assets are recorded at historical cost. Depreciation is recorded using the modified accelerated cost recovery system over the useful lives of the assets as follows:

Equipment	5 years
Office furniture	7-10 years

The Board's capitalization policy includes adding all assets with a value of \$500 or more. However, assets that are less in value may be capitalized if their use will benefit more than one period such as recording equipment or chairs.

Compensated Absences: Board policy allows sick time to accrue at one day per month or four hours each pay period which is semi-monthly. Vacation accrues according to the position held as follows:

Attorneys	4 weeks
Investigators, Administrative Assistant and Office Manager	3 weeks
Secretaries	2 weeks

All vacation time expires at the end of each year, and therefore, no provision for compensated absences has been recorded in the accompanying financial statements. Sick leave, while not paid upon termination, is allowed to be carried over to subsequent years.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of both governmental and business-type activities are reported as decreases in the balance of the liability on the statement of net assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

The Board did not have any long-term debt as of December 31, 2003.

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

Net Assets/Fund Balances: In the statement of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets is as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

Net assets that are restricted by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the balance sheet of governmental funds, fund balances are segregated as follows:

Reserved

These resources are segregated because their use is earmarked for a specific use.

Unreserved

This category represents that portion of equity not appropriable for expenditures or legally segregated for a specific future use.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2003, the Board had cash and cash equivalents (book balances) totaling \$312,799.42 in its governmental activities as follows:

Demand deposits	\$ 45,480.03
Interest-bearing demand deposits	142,300.84
Money market savings	<u>125,018.55</u>
Total	<u>312,799.42</u>

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2003, the Board had \$355,363.94 in deposits (collected bank balances). These deposits are secured from risk up to \$500,000 through the FDIC. There is also \$150,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Demand deposits	\$ 88,044.55
Interest-bearing demand deposits	142,300.84
Money market savings	<u>125,018.55</u>
Total	<u>355,363.94</u>
Whitney National Bank	\$ 100,000
Hancock Bank of Louisiana	100,000
Union-Planters Bank of LA	350,000
Liberty Bank	<u>100,000</u>
Total	<u>650,000</u>

Even though the pledged securities are considered uncollateralized, under the provisions of GASB Statement No. 3, Louisiana Revised Statute §39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities with ten (10) days of being notified by the Board that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 – RECEIVABLES

The following is a summary of general fund receivables at December 31, 2003:

Court	\$ 75,013.88
Sheriff	59,705.66
Defendant court-ordered	<u>622,277.32</u>
Sub-Total	756,996.86
Less: Allowance for Uncollectible Accounts	<u>(536,232.48)</u>
Receivables, net	<u>220,764.38</u>

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Equipment	\$ 26,904.93	\$ 19,596.42	\$ 0.00	\$ 46,501.35
Office furniture	<u>93,953.48</u>	<u>0.00</u>	<u>0.00</u>	<u>93,953.48</u>
 Totals at Historical Cost	 120,858.41	 19,596.42	 0.00	 140,454.83
 Less: Accumulated Depreciation for:				
Equipment	18,040.77	8,800.39	0.00	26,841.16
Office furniture	<u>64,808.96</u>	<u>1,685.40</u>	<u>0.00</u>	<u>66,494.36</u>
 Total Accumulated Depreciation for:	 <u>82,849.73</u>	 <u>10,485.79*</u>	 <u>0.00</u>	 <u>93,335.52</u>
 Governmental Activities Capital Assets, Net	 <u>38,008.68</u>	 <u>9,110.63</u>	 <u>0.00</u>	 <u>47,119.31</u>

* Depreciation expense was charged to governmental functions as follows:

General government	\$ 1,685.40
Public defense	<u>8,800.39</u>
 Total	 <u>10,485.79</u>

NOTE 5 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of general fund payables at December 31, 2003:

Trade	\$ 9,123.92
Payroll and related benefits	1,673.23
Rent	534,194.32
Attorneys	<u>74,944.55</u>
 Total	 <u>619,936.02</u>

NOTE 6 – PENSION PLAN

Plan Description The Board established a pension plan in 1992. Substantially all of the employees of the Nineteenth Judicial District Indigent Defender Board are members of this

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

plan. This defined contribution plan is invested in American Funds, a mutual fund account held at A.G. Edwards. Each participant is fully-vested at the time of the contribution and will receive his/her individual fund at the time of retirement.

Funding Policy The Board contributes 7.7% of each participant's salary. Contributions, during the year, which were 100% funded, were \$104,236.45.

While the participant is not required to make a contribution, employees are eligible to participate in the National Association of Counties (NACO) Deferred Compensation Program. The account value and annual earnings are not reported on the accompanying financial statements, as all funds belong to the participants.

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS

Separated employees are allowed to participate in the medical insurance for a period of one year after employment. However, they must pay the premiums due. Accrued vacation and sick leave at termination are negotiated individually with the Director at the time the employee leaves in accordance with the rules described in Note 1 under Compensated Absences.

NOTE 8 – GRANTS AND CONTRIBUTIONS

Grants

The Board receives a grant from the Louisiana Indigent Defender Board through the District Assistance Fund. These funds are restricted to use for hiring/retaining additional attorneys, raising attorney salaries, providing unit support, defraying expert witness and testing cost and defraying the cost of LIDB-approved CLE and training programs. It also requires a 100% match from the Board. The grant proceeds received during the year were \$336,319.

Contributions

The City of Baton Rouge, Parish of East Baton Rouge, La. contributed payments benefiting Board employees as follows:

Group health insurance	\$ 135,042.84
Group dental insurance	10,256.17
Group life insurance	<u>2,901.54</u>
Total	<u>148,200.55</u>

In January of 1999, the Board entered into a contract with the Louisiana Appellate Project for the utilization of its services to handle the appeals of indigent persons convicted of non-capital, felony offenses. The Louisiana Indigent Defender Board pays the fee for these services. These services are significant and are an integral part of the Board's purpose which

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

would have been performed by salaried employees. Because of this, and a reasonable basis for determining the value of these donated services, they have been recorded in the accompanying financial statements. The basis used was the starting salary of an attorney multiplied by the hours spent as follows:

Investigative services	\$ 34,000.00
------------------------	--------------

With the approval of the Board of Directors, a settlement was extended to outside attorneys on the amounts owed to them. The offer was to accept one-third of the balance due to them as of August 31, 1999, as payment in full. The majority of the attorneys accepted in 1999. In 2002 and again in 2003, the Board offered the attorneys with remaining balances one-fourth of the balance due. Several accepted, creating services realized as follows:

Legal services	<u>34,263.93</u>
 Total Contributed Services	 <u>68,263.93</u>

NOTE 9 - LEASES

There were no capital leases at December 31, 2003.

The minimum annual commitments under operating leases are as follows:

<u>Year</u>	<u>Autos</u>	<u>Copiers</u>
2004	\$ 3,500.00	\$ 8,112.00
2005	.00	8,112.00
2006	.00	8,112.00
2007	.00	676.00

There are currently two auto leases that were executed in May of 2002, for a period of 24 months at \$350 each per month. Payments during the year on these leases were \$8,400.

In February of 2002, the Board entered into a five year lease with Lanier Worldwide for four copiers. The monthly rental fees on these copiers are \$676. Payments made during the year totaled \$8,112.

The building lease expired on April 20, 2002, with an option to renew for one year under the same terms. The option was not renewed, and the Board is currently renting on a month-to-month basis. No payments were made during the year. There is a balance due of \$534,194.32 at December 31, 2003.

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

NOTE 10 – RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the year ended December 31, 2003 that require disclosure in the accompanying financial statements.

NOTE 11 – LITIGATION AND CLAIMS

The Board is not involved in any litigation and is not aware of any claims outstanding that are not recorded in the financial statements.

NOTE 12 – GOING CONCERN

At the present time, the Board is reliant on one revenue source to keep it from operating at a deficit. This revenue source is a grant received from the Louisiana Indigent Defender Board for the purpose of capital defense (explained further in Note 8 under “Grants”). The amount expected to be received in 2004 is less than 50% of that received in 2003.

NOTE 13 – SUBSEQUENT EVENTS

There are no subsequent events that would materially impact the financial statements between the close of the year and issuance of the financial statements.

**REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)**

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Positive (Negative) Variance</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Fines and forfeitures	\$ 1,887,000	\$ 1,859,000	\$ 1,994,762.94	\$ 135,762.94
Grant proceeds	312,000	366,750	336,319.00	(30,431.00)
Donated goods and services	171,000	171,000	148,200.55	(22,799.45)
Contributed services	-	34,264	68,263.93	33,999.93
Miscellaneous revenues	-	944	944.45	0.45
Interest earned	3,000	2,000	6,217.61	4,217.61
Total Revenues	2,373,000	2,433,958	2,554,708.48	120,750.48
<u>EXPENDITURES</u>				
Salaries and related benefits	1,879,060	1,881,660	1,883,734.31	(2,074.31)
Insurance	24,700	32,100	32,326.65	(226.65)
Travel	54,800	60,200	59,589.32	610.68
Office supplies and expenses	105,440	108,034	307,435.03	(199,401.03)
Occupancy	23,000	21,000	155,538.23	(134,538.23)
Defense/expert witnesses	266,000	315,964	391,709.44	(75,745.44)
Capital outlay	20,000	15,000	19,596.42	(4,596.42)
Total Expenditures	2,373,000	2,433,958	2,849,929.40	(415,971.40)
Net Change in Fund Balances	-	-	(295,220.92)	(295,220.92)
Fund Balances, beginning	217,915	217,915	217,915.18	0.18
Fund Balances, ending	217,915	217,915	(77,305.74)	(295,220.74)

See Auditors' Report.

SUPPLEMENTAL INFORMATION

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
COMPARATIVE BALANCE SHEETS
GOVERNMENTAL FUNDS
DECEMBER 31, 2003**

<u>ASSETS</u>	<u>General Fund</u>	
	<u>2003</u>	<u>2002</u>
Cash and cash equivalents	\$ 137,085.56	\$ 105,233.05
Prepaid expenses	9,066.48	9,066.48
Receivables, net:		
Court	75,013.88	68,569.98
Sheriff	59,705.66	48,276.44
Defendant court-ordered	86,044.84	119,406.63
Restricted Assets:		
Cash and cash equivalents	175,713.86	384,345.40
TOTAL ASSETS	542,630.28	734,897.98
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	619,936.02	516,982.80
Fund Balances:		
Reserved for prepaid expenses	9,066.48	9,066.48
Reserved for capital defense	175,713.86	384,345.40
Unreserved	(262,086.08)	(175,496.70)
Total Fund Balances	(77,305.74)	217,915.18
TOTAL LIABILITIES AND FUND BALANCES	542,630.28	734,897.98

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2003**

	2003				
	2002	Budget		Actual	Positive
	Actual Amounts	Original	Final	Amounts	(Negative) Variance
Probation	\$ 138,118.21	\$ 18,000	\$ 14,000	\$ 15,010.00	\$ 1,010.00
Zachary City Court	15,897.00	16,000	14,000	13,593.00	(407.00)
Baker City Court	31,228.00	30,000	30,000	37,444.50	7,444.50
Non-support	16,079.00	16,000	16,000	32,693.00	16,693.00
Sheriff's settlement	598,864.12	600,000	600,000	574,785.83	(25,214.17)
City Court	849,540.16	904,000	905,000	879,299.65	(25,700.35)
Juvenile Court	16,194.50	16,000	16,000	16,345.50	345.50
Bond license fees	201,645.39	170,000	185,000	180,957.46	(4,042.54)
Bond forfeitures	91,827.00	85,000	35,000	39,235.00	4,235.00
Court-ordered payments	31,334.40	32,000	40,000	151,559.00	111,559.00
Application fees	-	-	4,000	53,840.00	49,840.00
Total Fines and Forfeitures	1,990,727.78	1,887,000	1,859,000	1,994,762.94	135,762.94
LIDB grants	366,869.00	312,000	366,750	336,319.00	(30,431.00)
Donated goods	148,200.55	171,000	171,000	148,200.55	(22,799.45)
Contributed services	98,437.29	-	34,264	68,263.93	33,999.93
Miscellaneous revenues	2,274.39	-	944	944.45	0.45
Interest earned	9,317.11	3,000	2,000	6,217.61	4,217.61
TOTAL REVENUES	2,615,826.12	2,373,000	2,433,958	2,554,708.48	120,750.48
Salaries	1,490,099.75	1,573,660	1,573,660	1,603,783.38	(30,123.38)
Retirement	94,823.23	100,000	105,000	104,236.45	763.55
Education	6,505.41	10,000	8,000	6,188.95	1,811.05
Payroll taxes	18,147.11	22,000	22,000	19,786.98	2,213.02
Group/other insurance	149,549.55	173,400	173,000	149,738.55	23,261.45
Total Salaries and Related Benefits	1,759,125.05	1,879,060	1,881,660	1,883,734.31	(2,074.31)

Continued

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - Continued
GENERAL FUND
YEAR ENDED DECEMBER 31, 2003**

	2002		2003		
	Actual Amounts	Budget		Actual Amounts	Positive (Negative) Variance
		Original	Final		
Workers' compensation	\$ 4,201.05	\$ 5,100	\$ 5,100	\$ 5,705.00	\$ (605.00)
Auto	4,459.00	5,400	6,000	5,944.00	56.00
Professional liability	12,073.15	14,200	21,000	20,677.65	322.35
Total Insurance	20,733.20	24,700	32,100	32,326.65	(226.65)
Travel	2,915.28	5,000	7,000	7,431.51	(431.51)
Auto lease and allowance	50,279.04	47,000	50,400	50,400.00	-
Auto maintenance	1,847.27	2,800	2,800	1,757.81	1,042.19
Total Travel	55,041.59	54,800	60,200	59,589.32	610.68
Office expense	16,840.12	20,000	20,000	17,196.83	2,803.17
Postage and shipping	1,179.49	2,000	2,000	1,234.16	765.84
Equipment maintenance	1,728.00	2,500	2,500	249.00	2,251.00
Library maintenance	33,568.57	29,000	31,000	34,557.44	(3,557.44)
Dues and subscriptions	6,000.00	7,000	9,000	8,730.00	270.00
Penalties and interest	541.08	600	600	244.57	355.43
Office supplies	21,440.56	27,040	27,634	24,237.80	3,396.20
Bank charges	1,098.08	300	300	1,410.91	(1,110.91)
Leases	15,755.32	17,000	15,000	14,024.80	975.20
Bad debts	141,703.91	-	-	205,549.52	(205,549.52)
Total Office and Supplies	239,855.13	105,440	108,034	307,435.03	(199,401.03)
Rent	133,791.00	-	-	133,791.00	(133,791.00)
Parking	7,123.00	8,000	7,000	7,458.00	(458.00)
Telephone	13,246.27	15,000	14,000	14,289.23	(289.23)
Total Occupancy	154,160.27	23,000	21,000	155,538.23	(134,538.23)

Continued

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - Continued
GENERAL FUND
YEAR ENDED DECEMBER 31, 2003**

	2002		2003		
	Actual Amounts	Budget		Actual Amounts	Positive (Negative) Variance
		Original	Final		
Investigative - professional	\$ 23,613.74	\$ 7,000	\$ 41,264	\$ 38,382.54	\$ 2,881.46
Investigative - other	7,861.02	6,000	5,000	28,132.61	(23,132.61)
Court-ordered counsel	114,819.12	-	19,700	76,319.90	(56,619.90)
Contractual services	228,359.44	253,000	250,000	239,374.39	10,625.61
Expert witnesses	41,502.50	-	-	9,500.00	(9,500.00)
Total Defense/Expert Witnesses	416,155.82	266,000	315,964	391,709.44	(75,745.44)
Capital outlay	4,785.58	20,000	15,000	19,596.42	(4,596.42)
TOTAL EXPENDITURES	2,649,856.64	2,373,000	2,433,958	2,849,929.40	(415,971.40)
Net Change in Fund Balances	(34,030.52)	-	-	(295,220.92)	(295,220.92)
Fund Balances, beginning	293,195.70	217,915	217,915	217,915.18	0.18
Adjustments to prior periods	(41,250.00)	-	-	-	-
Fund Balances, ending	217,915.18	217,915	217,915	(77,305.74)	(295,220.74)

See Auditors' Report.

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
BAKER, LOUISIANA 70704-0030

(225) 775-4982

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

April 6, 2004

To The Board of Directors
Nineteenth Judicial District
Indigent Defender Board
P. O. Box 3356
Baton Rouge, Louisiana 70821

We have audited the financial statements of the Nineteenth Judicial District Indigent Defender Board, as of and for the year ended December 31, 2003, and have issued our report thereon dated March 28, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Nineteenth Judicial District Indigent Defender Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

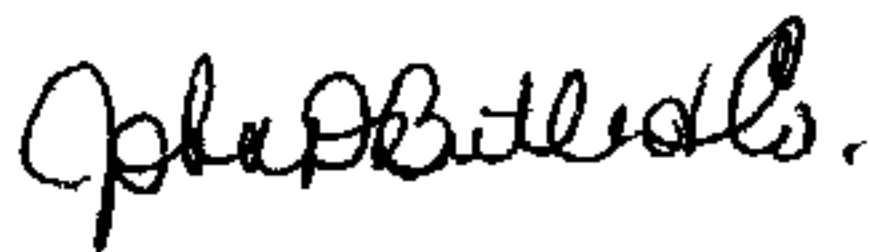
In planning and performing our audit, we considered the Nineteenth Judicial District Indigent Defender Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a

Board of Directors
Nineteenth Judicial District
Indigent Defender Board
April 6, 2004
Page Two

condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute §24:513, this report is distributed by the Legislative Auditor as a public document.

Sincerely,



John D. Butler & Company
A Professional Accounting Corporation

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
SCHEUDLE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMEBR 31, 2003**

We have audited the financial statements of the Nineteenth Judicial District Indigent Defender Board as of and for the year ended December 31, 2003, and have issued our report thereon dated April 6, 2004. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2003, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

A. Report on Compliance and Internal Control Material to the Financial Statements

Internal Control	Material Weakness	■	No
	Reportable Condition	■	No

B. Federal Awards

N/A

C. Identification of Major Programs

N/A

Section II Financial Statement Findings

N/A

Section III Federal Award Findings and Questioned Costs

N/A

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED DECEMEBR 31, 2003**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Compliance and Internal Control Material to Federal Awards

N/A

Section III Management Letter

N/A

**NINETEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED DECEMEBR 31, 2003**

Section I Compliance and Internal Control Material to the Financial Statements

N/A

Section II Compliance and Internal Control Material to Federal Awards

N/A

Section III Management Letter

N/A